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# TOWARD A NEW BALANCE OF POWER IN EUROPE

by

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with the aid of the Research Staff of the Foreign Policy Association

## THE CRISIS OF INTERNATIONAL ORGANIZATION

THE foreign policy of Nazi Germany, whose ultimate aim is the inclusion of all German-speaking peoples in the Third Reich,<sup>1</sup> has acted like a powerful solvent on diplomatic alignments in Europe.<sup>2</sup> At no time has the struggle between revisionist and *status quo* countries engendered by the post-war territorial settlement taken so sharp a form and produced such far-reaching readjustments in the European balance of power. This struggle has been waged with particular bitterness around the League of Nations, regarded by both groups as the last bulwark against revision of the peace treaties. For the defeated powers — Germany, Hungary, Bulgaria — the League represents an organization dominated by France and the Little Entente, which will continue to block all attempts, no matter how peaceful, to alter the *status quo*. This view is shared by Italy, which refuses to revise its own "natural" boundaries in favor of Germany, Austria or Yugoslavia, but supports Hungary's territorial aspirations and demands redistribution of colonies in Africa.<sup>3</sup> In their resistance to revision the *status quo* countries — France, Poland, the Little Entente — have meanwhile won the sympathies of all states which fear that revision might precipitate war, notably the Soviet Union.

This controversy, in which the future of the League is at stake, does not merely constitute a struggle between revisionist and *status quo* powers. It also represents a fundamental conflict between the methods of an international organization based on democratic assumptions, and the foreign policies of states committed to Fascist doctrines. Fascist governments, which regard individual liberty, political equality and freedom of opinion obsolete at home, are unwilling to follow democratic and parliamentary methods in the international sphere.

1. Cf. Mildred S. Wertheimer, "The Foreign Policy of the Third Reich," *Foreign Policy Reports*, March 28, 1934.

2. For an earlier study, cf. Vera M. Dean, "Political Re-alignments in Europe," *Foreign Policy Reports*, May 10, 1933.

3. Cf. Vera M. Dean, "France and Italy in the Mediterranean," *Foreign Policy Association, Information Service*, March 19, 1930.

Germany and Japan have already withdrawn from the League of Nations. Italy, while still a member, demands thoroughgoing reorganization of the League. On December 6, 1933 the Fascist Grand Council declared that Italy's future participation depends on radical reform of the League — a reform which must be effected as soon as possible and deal with the League's constitution, organization and objectives.<sup>4</sup>

While Premier Mussolini has as yet offered no specific projects of reform, he makes three principal demands: divorce of the League Covenant from the peace treaties; substitution of the Fascist principle of hierarchy (*gerarchia*) for that of equality of all states, great and small; and changes in League procedure permitting more rapid and decisive action. Italy believes that the connection existing between the Covenant and the peace treaties, of which it forms a part, has not only alienated Germany from the League but prevented the entrance of the United States and the Soviet Union. According to Italy the League, conceived as a universal community of nations, has consequently dwindled into a European organization in which small states exercise an influence out of proportion to their international importance. Mussolini wishes to broaden the membership of the League by inclusion of the United States and the Soviet Union, as well as re-instatement of Germany, and to confer on the great powers a position of leadership corresponding to their size and prestige. These powers could then act promptly at small conferences, free from the delays and publicity connected with large international gatherings.

Italy's scheme is condemned by many League supporters. They concede that the Covenant would benefit by dissociation from the peace treaties, but contend that the weakness of the League is due not to its organization or methods, but to the reluctance of the great powers to accept responsibility for prompt action in international crises. The reform sponsored by Italy, in their opinion, would aggravate rather than

4. *Corriere della Sera*, December 7, 1933.

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remedy the situation.' Mussolini's plans are also opposed by France, which might find itself isolated and outvoted in conferences from which its allies would be excluded. Finally, they are denounced by the members of the Little Entente and other small states, which demand preservation of the democratic principle in international affairs, and declare that reform of the League along Italian lines would merely create a dictatorship of the great powers.

Fearing this development, the small European states have conducted a campaign on two fronts: they have demanded continuance of the League as at present organized, and have consolidated their position by the formation of regional groups removed as far as possible from the influence of the great powers. Of these groups the most important are the Little Entente—Czechoslovakia, Rumania and Yugoslavia; the Balkan bloc—Rumania, Yugoslavia, Greece and Turkey; and the bloc tentatively discussed by the Baltic states—Estonia, Latvia and Lithuania. Nor have the great powers been slow to recognize the importance of winning the support of one or more of these regional groups. Since 1921 France has relied on its alliances with Poland and the Little Entente. The Baltic states have been courted by both Germany and the Soviet Union. The Little Entente countries, which exchanged non-aggression pledges with the U.S.S.R. in 1933, have been approached by the Third Reich. Italy has meanwhile proclaimed its intention of striking an equilibrium between the conflicting aims of France, Germany and

the Little Entente in Central Europe by the creation of an Italo-Austro-Hungarian bloc.

The diplomatic activities of the past year, directed at finding a new balance of power in Europe, have focused on Austria, which is particularly menaced by treaty revision and whose fate concerns the largest number of European states. The Third Reich wants to absorb Austria with its 6,500,000 German Austrians into a Greater Germany—an aim resisted by France, Italy and the Little Entente, which all desire preservation of Austria's independence. Italy hopes to achieve this end by linking Austria with Hungary and granting economic concessions to both countries. The Italian plan is supported by France, which wants at all costs to prevent *Anschluss*; but is opposed by the Little Entente countries, which fear that Italy will demand territorial revision of Hungary at their expense, and eventual restoration of the Hapsburgs. Instead, the Little Entente wishes to extend and strengthen international guarantees of Austria's independence. This scheme, which would find backing in France, arouses little enthusiasm on the part of Great Britain which, although sympathetic to Austria, is reluctant to assume further guarantees for preservation of the Continental *status quo*.

These contradictory elements in European politics, which a minor incident might crystallize into a serious conflict, have precipitated many shifts in diplomatic alignments, the most striking of which is the re-orientation of Soviet foreign policy.

## SOVIET POLICY IN EUROPE

### SOVIET FEAR OF GERMAN EXPANSION

The foreign policy of the U.S.S.R., once directed at the overthrow of the Versailles settlement and the termination of France's hegemony in Europe, has undergone a complete *volte-face* since Hitler's advent to power.<sup>6</sup> Fearing that Germany's demand for territorial revision might precipitate a European conflict which would endanger the Soviet economic system, the U.S.S.R. has established close ties with the *status quo* countries—France and the Little Entente—and contemplates membership in the League of Nations, which it once denounced as a

junta of capitalist states created to attack the first workers' republic in the world.

The friendly relations developed between the Soviet Union and Germany during the post-war period have not withstood the acid test of Hitlerism. The Soviet government continues to fear that Germany, finding it impossible to revise its frontiers with Poland and Czechoslovakia, will seek to expand into the rich agrarian region of Soviet Ukraine, as advocated by Chancellor Hitler before he came to power, and by Dr. Alfred Rosenberg, now head of the Foreign Affairs Bureau of the National Socialist party.<sup>7</sup> Soviet leaders accuse the Nazis of fomenting revolutionary movements in the Ukraine, disaffected by the 1933 agrarian crisis, and suspect that the German-Polish non-aggression pact of January 26, 1934<sup>8</sup> was accompanied by an understanding that the two countries would eventually satisfy their territorial aspirations at the expense of the

5. "The League or Anarchy?" *Manchester Guardian Weekly*, December 1, 1933; "The Attack on the League," *ibid.*, December 15, 1933; Joseph Avenol, Secretary-General of the League of Nations, "The Future of the League of Nations," *International Affairs* (Royal Institute of International Affairs), March-April 1934, p. 143; Maurice Pernot, "L'Italie et la Société des Nations," *L'Europe Nouvelle*, December 10, 1933, p. 1191. For an article criticizing the League, cf. Georges Scelle, "Essai sur la Crise de la Société des Nations et ses Remèdes," *L'Esprit International*, April 1, 1934, p. 163. Projects for League re-organization will be discussed in a forthcoming issue of the *Foreign Policy Reports*.

6. For discussion of Soviet-German relations in 1933, cf. Vera M. Dean, "The Soviet Union as a European Power," *Foreign Policy Reports*, August 2, 1933.

7. *Ibid.*  
8. For discussion of this pact, cf. Mildred S. Wertheimer, "The Foreign Policy of the Third Reich," cited.

Soviet Union.<sup>9</sup> Viacheslav Molotov, president of the Soviet Council of People's Commissars, expressed prevalent Soviet opinion when he declared before the All-Union Central Executive Committee on December 28, 1933 that "the policy of the partisans of belligerent National Socialism, such as Rosenberg and others, is the direct antithesis of [collaboration of the two countries for world peace]. In so far as this policy is permeated with reactionary tendencies and predatory imperialist plans it is incompatible with the strengthening of friendly relations with the U.S.S.R."<sup>10</sup> Addressing the same body two days later Maxim Litvinov, Soviet Foreign Commissar, reminded Germany that the Soviet Union had given the Reich first place in its foreign trade and, alone of the great powers, had not participated in the Versailles treaty. He recapitulated the statements of Nazi leaders regarding Germany's eastward expansion, and commented on the "venomous" practices employed by the Hitler government toward Soviet institutions and citizens in Germany. He declared, however, that Soviet-German relations are influenced not by internal events, but solely by the foreign policy of the Third Reich. In conclusion he said that the Soviet Union desires to develop the best possible relations with Germany, and implied that it would welcome a Soviet-German non-aggression pact.<sup>11</sup>

#### THE U.S.S.R. AND THE BALTIC STATES

The Soviet government has also been concerned by the possibility that the Baltic states—Estonia, Latvia, Lithuania and Finland—linked to Germany by political sympathies and economic interests, might eventually be absorbed into the Third Reich. While the Baltic states appear determined to suppress all political organizations connected with German Nazis,<sup>12</sup> they believe that they can preserve their independence only by the establishment of authoritarian governments,<sup>13</sup> and possibly the formation of a Baltic bloc.<sup>14</sup> Hoping to ascertain whether the Nazi policy of eastward expansion had been in any way modified since Hitler's advent to power, the Soviet government invited Germany in March 1934 to sign a treaty guaranteeing the sovereignty of the Baltic states. Germany rejected this proposal, declaring that there was no "historic"

9. *Pravda*, January 29, 1934.

10. *Izvestia*, December 29, 1933.

11. *Ibid.*, December 30, 1933.

12. Cf. action taken by Estonia and Finland in April 1934.

*New York Times*, April 14, 17, 1934.

13. This tendency is indicated by the adoption in Estonia on October 18, 1933 of a constitutional reform greatly strengthening the powers of the President at the expense of parliament. Cf. B. Mirkin-Guetzovich, "Recent Developments in Laws, Constitutions and Administration," *The Political Quarterly*, April-June 1934, p. 262. A similar reform is pending in Latvia.

14. Albert Mousset, "Slaves du Nord et Baltes dans la Nouvelle Conjoncture Internationale," *L'Europe Nouvelle*, November 25, 1933, p. 1134.

occasion to insure the independence of the Baltic states by means of a treaty.<sup>14a</sup> That the Baltic states are unanimous in fearing the expansionist aims of Germany more than the Communist aspirations of the Soviet Union was indicated on April 4, 1934, when Estonia, Latvia and Lithuania prolonged until 1945 their non-aggression pacts with the U.S.S.R.<sup>15</sup> Similar action was taken by Finland on April 6.

The Soviet Union has not only cemented its relations with the Baltic states, but has continued to strengthen its ties with all leading European countries except Germany. The visit paid to Moscow on February 13, 1934 by Dr. Josef Beck, Polish Foreign Minister, was warmly welcomed by the Soviet press,<sup>16</sup> and on May 5 the Soviet-Polish non-aggression pact of 1932<sup>17</sup> was prolonged until 1945.

Hungary, although still dominated by unpleasant memories of the 1919 Communist régime of Bela Kun, recognized the Soviet government on February 6, 1934 to the great surprise of the Hungarian public,<sup>18</sup> and trade negotiations have been opened between the two countries. Soviet relations with Italy, excellent since 1921, were further developed by the conclusion of a non-aggression pact on September 2, 1933<sup>19</sup> and by the visit of M. Litvinov to Rome on December 2-5, when he discussed with Premier Mussolini disarmament and the League of Nations as well as questions of trade.<sup>20</sup>

#### ANGLO-SOVIET TRADE AGREEMENT

The ten months' trade war precipitated by the expiration of the Anglo-Soviet trade agreement on April 17, 1933<sup>21</sup> was terminated on February 16, 1934, when the two countries concluded a new pact designed to equalize the balance of trade, long unfavorable to Great Britain. This agreement renews the diplomatic privileges of the Soviet trade delegation, and provides for most-favored-nation treatment, subject to two exceptions: the Soviet Union will not enjoy preferences accorded by the British government to Dominion products, while Great Britain will not receive special concessions granted by the U.S.S.R. to border states. Most important of all, the trade agreement establishes ratios by which trade will be gradually equalized until, in 1938, it is sta-

14a. *New York Times*, April 26, 1934; Albert Mousset, "L'U.R.S.S. et les Baltes," *L'Europe Nouvelle*, April 21, 1934.

15. *Ibid.*, April 5, 1934.

16. "Visit Polskovo Ministra Innostrannych Del" (The Visit of the Polish Foreign Minister), *Izvestia*, February 12, 1934.

17. For discussion of this pact, cf. Dean, "The Soviet Union as a European Power," cited.

18. *The Economist* (London), February 24, 1934, p. 402; Auguste Miskolczy, "La Hongrie et l'U.R.S.S.," *Nouvelle Revue de Hongrie*, March 1934, p. 296.

19. For text of this pact, cf. *L'Europe Nouvelle*, October 14, 1933, p. 995.

20. Benito Mussolini, "Italia e Russia," *Corriere della Sera*, December 1, 1933; "La Russia e la Politica Italiana," *ibid.*, December 2, 1933; "Sovetsko-Italiiskii Pact" (The Soviet Italian Pact), *Izvestia*, December 16, 1933.

21. Cf. Dean, "The Soviet Union as a European Power," cited.



bilized at 1 for the Soviet Union against 1.1 for Great Britain.<sup>22</sup> The Soviet government undertakes to achieve this end by using the proceeds of its sales in Great Britain to increase its purchases of British goods, and by chartering British ships, so far as possible, for the transportation of its products to Great Britain. Both countries hope that the new arrangement will terminate existing misunderstandings and eliminate British Conservative opposition to Soviet trade, which has done much to envenom Anglo-Soviet relations.<sup>23</sup>

#### SOVIET FRIENDSHIP WITH FRANCE

While the Soviet Union has thus continued its policy of collaborating with all capitalist

countries, irrespective of their internal régimes and attitude toward Communism, it has developed an increasingly marked orientation toward France and the Little Entente. Franco-Soviet relations, stabilized by the non-aggression pact of 1932,<sup>24</sup> were cemented by the visits to the Soviet Union of ex-Premier Herriot and Pierre Cot, French Aviation Minister, in the summer of 1933, and by the conclusion of a Franco-Soviet trade agreement on January 11, 1934. Contrary to general expectation this agreement, which runs only for one year, makes no attempt to settle the thorny questions of Soviet responsibility for Russia's pre-war debts to France and French credits for Soviet purchases. Its chief purpose is to facilitate trade between the two countries, and to redress the trade balance in favor of

22. In 1933 the value of Soviet exports to Great Britain totaled £17,436,000, while that of British exports to the Soviet Union totaled only £4,257,000. "The Russian Trade Agreement," *The Economist* (London), February 24, 1934, p. 387.

23. *Ibid.* Cf. also M. Litvinov's speech of December 30, 1933, cited, and "Anglo-Sovetski Torgovvi Dogovor" (The Anglo-Soviet Trade Agreement), *Izvestia*, February 17, 1934.

24. For discussion of this pact, cf. Dean, "The Soviet Union as a European Power," cited.

France. The French government accords Soviet products its minimum tariff rates, while the Soviet Union undertakes to purchase 250,000,000 francs' worth of French products in 1934.<sup>25</sup> The Soviet government promises to pay for its purchases within twenty-two months, these payments to be offset by French payments for Soviet oil, which is needed by the French navy. According to Soviet opinion, the new agreement lays a solid economic basis for Franco-Soviet political collaboration<sup>26</sup> — a sentiment echoed by M. Paul-Boncour, then French Foreign Minister, who declared on January 11 that the agreement harmonizes with the general policy toward the Soviet Union initiated by M. Herriot.<sup>27</sup> France's policy, dictated by its desire to obtain Soviet support against any attempt at treaty revision, apparently contemplates eventual conclusion of a Franco-Soviet alliance and entrance of the U.S.S.R. into the League of Nations.

Not only has the Soviet Union drawn closer to France, principal champion of the European *status quo*, but it has sought a rapprochement with the Little Entente. Recognition of the Soviet government has been seriously considered by the Little En-

tente countries, which hope that the Soviet Union, especially if it joins the League of Nations, will prove a bulwark against territorial revision.<sup>28</sup> The Soviet Union, meanwhile, has apparently reached the conclusion that collaboration with the Little Entente and participation in the League of Nations are essential for the preservation of peace. Commenting on the non-aggression pact which the U.S.S.R. concluded with Czechoslovakia, Rumania and Yugoslavia at the World Economic Conference in July 1933, M. Litvinov stated that "it expressed the unity of certain interests common to all participants, their general efforts toward the pacification of Europe."<sup>29</sup> According to Soviet leaders this pacification, essential for the successful prosecution of Soviet economic plans, may perhaps be best achieved under the aegis of the League of Nations, in which France and its Eastern European allies exercise a dominant influence. This view was expressed by M. Litvinov when he said that the struggle between states which desire war and those which desire peace takes on its most striking form in the League, but that "it may be assumed" that the tendency interested in preserving peace will finally triumph in that forum.<sup>30</sup>

### THE LITTLE ENTENTE

If territorial revision resulting in a European conflict would seriously hamper Soviet efforts to "build socialism in one country," it would directly threaten the existence of the Little Entente states, created or substantially enlarged by the peace treaties. Alarmed by the increase of revisionist sentiment in Germany and Hungary, and fearful that under the Four-Power pact the great powers might settle their disputes at the expense of smaller neighbors, Czechoslovakia, Rumania and Yugoslavia have continued to cement their political and economic relations within the framework of the "pact of organization" of February 16, 1933, by which they established a common front in foreign affairs.<sup>31</sup> Not only have they persisted in opposing all attempts at territorial revision and all plans for a reform of the League of Nations which would diminish the influence of small states, but

they have worked to strengthen their economic ties with a view to effective collaboration in time of war. Nor have the political and economic dissimilarities of the three countries discouraged them from developing a program of collective action in foreign affairs.

### ECONOMIC COLLABORATION

The Little Entente is convinced that no scheme for economic rehabilitation of the Danubian region can prove successful without its collaboration, and consequently opposes Italy's attempts to form an Austro-Hungarian bloc.<sup>32</sup> Confronted by the alternative of joining a Danubian bloc dominated by Italy, or yielding trade advantages to Hungary, whose revisionist aspirations threaten their territorial integrity, the Little Entente states apparently prefer to consolidate their mutual economic relations, and present a united front in economic as well as political matters. This policy was elaborated at a conference held in Prague on June 1, 1933 by the permanent council of the Little Entente, at which it was decided to establish an economic council charged with the coordination of economic activities in the member states. The principal object of this council, which consists of three national sections, is to devise a preferential tariff for the three countries, and to investi-

25. Albert Mousset, "L'Accord Commercial Franco-Soviétique," *L'Europe Nouvelle*, January 13, 1934, p. 27; "L'Accord Commercial Franco-Russe," *Le Temps*, January 12, 1934. In the first eleven months of 1933 French purchases of Soviet goods totaled 471,000,000 francs, while Soviet purchases of French goods totaled only 40,000,000 francs. *The Economist* (London), January 20, 1934, p. 116.

26. "Vazhnyi Etap vo Franco-Sovetskem Sblizhenii" (An Important Milestone in Franco-Soviet Rapprochement), *Izvestia*, January 12, 1934.

27. *Le Temps*, January 12, 1934, p. 8.

28. Albert Mousset, "L'U.R.S.S. et la Petite Entente," *L'Europe Nouvelle*, March 24, 1934, p. 307. For discussion of Little Entente foreign policy, cf. p. 62.

29. Speech of December 30, 1933, cited.

30. *Ibid.*

31. For discussion of this pact, cf. Dean, "Political Realignment in Europe," cited, p. 58.

32. Cf. p. 64.

gate the possibility of increasing the exchange of goods among them by a system of contingents. The economic council is to meet at least four times a year, sitting alternately in the three capitals, and to set up a special committee to standardize all branches of economic life, especially the production of armaments.<sup>33</sup> The scope of the economic collaboration envisaged by this council was indicated by Dr. Benes, Czechoslovak Foreign Minister and leading spirit of the Little Entente, when he declared before the Foreign Affairs Commissions of the Czechoslovak Parliament on October 31, 1933 that in the next few years the Little Entente must be transformed into a single economic unit.<sup>34</sup>

The need for some form of control over national economy appears particularly urgent to Czechoslovakia, whose economic interests conflict with those of its allies. Czechoslovakia, 40 per cent of whose population is engaged in agriculture, offers no adequate market for the exports of Rumania and Yugoslavia, both predominantly agrarian, which find a far better outlet for their products in Germany.<sup>35</sup> Czechoslovak producers, moreover, are divided in their attitude toward Little Entente trade. The agrarians oppose any added agricultural imports from Rumania and Yugoslavia, while the industrialists, who seek new markets in the Balkans, would welcome an increase in the purchasing power of Czechoslovakia's allies. This conflict, which threatens the economic relations of the Little Entente and might throw Rumania and Yugoslavia into the arms of Germany, has seriously alarmed the Czechoslovak government. To remedy the situation, Dr. Benes advocates the introduction of "directed economy," which would permit the government to regulate foreign trade in accordance with the political needs of the country, and the increase of imports not only of some agrarian products in which Czechoslovakia is deficient, but also of raw materials—notably Rumanian oil and Yugoslav copper. While this scheme might impose sacrifices on Czechoslovak agriculture, Dr. Benes believes that under no circumstances should the state sacrifice the interests of industry, "the principal source of the country's strength and its chief instrument of external expansion."<sup>36</sup>

33. "The Little Entente in Council at Prague," *The Central European Observer*, June 9, 1933, p. 201.

34. For text of Dr. Benes' speech, cf. *L'Europe Nouvelle*, November 18, 1933, p. 1108.

35. The limited character of trade between the three Little Entente countries is shown by the following figures: in 1933 Czechoslovakia's imports from Rumania and Yugoslavia constituted 6.99 per cent of its total imports; Rumania's imports from Yugoslavia and Czechoslovakia 10.27 per cent of its total imports; and Yugoslavia's imports from Czechoslovakia and Rumania constituted 9.13 per cent of its total imports. For detailed figures, cf. "The Economic Little Entente," *The Economist* (London), April 14, 1934, p. 805.

36. Cf. Dr. Benes' speech of October 31, 1933, cited.

Czechoslovakia's program for developing trade with its allies was carried into effect at a conference of the Little Entente economic council held in Prague on January 10-17, 1934. At this conference Czechoslovakia agreed to a 50-per-cent increase of its imports from Rumania and Yugoslavia in 1934 as compared with the previous year, and promised another 50-per-cent increase in 1935.<sup>37</sup> In return for these concessions, Rumania and Yugoslavia will increase their imports of Czechoslovak products.<sup>38</sup> Despite the economic collaboration offered by Czechoslovakia, the agrarian members of the Little Entente will apparently continue to develop their trade with Germany, as indicated by the conclusion of a trade agreement between the Reich and Yugoslavia on May 3, 1934.<sup>39</sup> The dependence of the Balkan states on the German market gives the Hitler government a powerful lever for economic penetration in that region, which may inaugurate a new and more powerful *Drang nach Osten*.<sup>40</sup>

#### DEMOCRACY VS. DICTATORSHIP

The economic divergences which threaten the unity of the Little Entente are paralleled by dissimilarities in their political systems. The democratic character of Czechoslovakia—which alone of Europe's post-war states has successfully practiced democracy—offers a striking contrast to the dictatorships of Rumania and Yugoslavia, whose methods are resented by Czechoslovak liberals and Socialists.<sup>41</sup> This contrast lends not a little irony to the insistence of the Little Entente on the preservation of the democratic principle in foreign affairs, especially as regards the juridical equality of all states, great and small, in the League of Nations. It has also proved a source of embarrassment to French governments of the Left which, while cherishing the warmest sympathy for democratic Czechoslovakia, have resented the dictatorial methods of King Carol and King Alexander.

The personal rule of the two kings has created widespread dissatisfaction in Yugoslavia and Rumania—a dissatisfaction which might seriously weaken both countries in case of war. King Alexander's ruthless suppression of civil liberties has aroused

37. "The Prague Conference of the Economic Council of the Little Entente," *The Central European Observer*, January 26, 1934, p. 25. Czechoslovak imports from Yugoslavia, which totaled 203,000,000 Czechoslovak crowns in 1933, will be increased to 275,000,000 crowns, exclusive of imports of tobacco, which in 1933 totaled 70,000,000 crowns; while Czechoslovak imports from Rumania, which totaled 183,000,000 crowns in 1933, are to be increased to 250,000,000 crowns.

38. Hubert Beuve-Méry, "Des Accords Economiques de Prague à la Conférence de Zagreb," *L'Europe Nouvelle*, January 27, 1934, p. 99.

39. *New York Times*, May 4, 1934. Cf. also Albert Mousset, "Existe-t-il une perspective de rapprochement entre la Yougoslavie et l'Allemagne de M. Hitler?" *L'Europe Centrale*, April 7, 1934, p. 218.

40. Henry A. Dietz, *New York Herald Tribune*, March 30, 1934.

41. Dr. Gustav Winter, "The Little Entente and Czech Socialism," *Labour*, March 1934, p. 154.

the resentment not only of Croats, who oppose Serb domination, but also of many liberal Serbs.<sup>41a</sup> Rumania's political life has meanwhile been profoundly disturbed by the activities of the Iron Guard, the most prominent of the country's five nationalist and anti-democratic parties. The Iron Guard, headed by Corneliu Codreanu, preaches mystical nationalism and violent anti-Semitism, and has won a large following among intellectuals, students and priests. Its terroristic activities culminated on December 29, 1933 in the assassination at Sinaia of Premier Ion Duca, who had attacked anti-Semitic outrages.<sup>42</sup> His death at the hands of three students, members of the Iron Guard, led to wholesale arrests of Codreanu's adherents. Iron Guard agitation not only aroused apprehension in Rumania, but threatened to provoke international complications. France accused the Iron Guard of pro-German sympathies, and demanded its suppression.<sup>43</sup> M. Titulescu, Rumania's popular Foreign Minister, fearing loss of French support, warned King Carol that he would surrender his office if the government, headed by the militant Liberal leader George Tatarescu, failed to dissolve the Iron Guard. While Tatarescu promised to act against Codreanu's organization, the court, after condemning Premier Duca's assassins to life imprisonment on April 5, declared that the Iron Guard had not been guilty of conspiracy against the state, and acquitted Codreanu of complicity in the murder.<sup>44</sup>

Existing dissimilarities between the political systems of the three Little Entente states may gradually disappear if Czechoslovakia maintains and develops the authoritarian rule inaugurated in 1933 by a series of decrees granting the government emergency powers and providing for the suspension or dissolution of political parties which threaten the independence, integrity or security of the Czechoslovak republic.<sup>45</sup> These decrees have been justified on the ground that only a strong and united state can successfully resist National Socialist agitation at home, which has won many adherents among Germans in Czechoslovakia,<sup>46</sup> and meet abroad the problems created by the world economic crisis and the campaign for territorial revision.<sup>47</sup>

41a. Louis Adamic, "Keeping the Lid on the Balkans," *Current History*, May 1934, p. 149.

42. Albert Mousset, "La Leçon de l'Attentat de Sinaia," *L'Europe Nouvelle*, January 8, 1934, p. 11.

43. *Le Temps*, January 7, 1934.

44. *New York Times*, April 6, 1934; "Die 'Eiserne Garde,'" *Prager Presse*, April 10, 1934.

45. For texts of these decrees, cf. *L'Europe Nouvelle*, January 20, 1934, p. 76.

46. "The Nazis outside Germany," *The Central European Observer*, October 13, 1933.

47. Cf. statement of Premier Malypetr regarding the motives which led to the promulgation of emergency decrees, *L'Europe Nouvelle*, January 20, 1934, p. 75.

#### OPPOSITION TO TREATY REVISION

For no matter what else divides the Little Entente countries, they are unanimous in opposing territorial revision, which they are determined to resist—if need be, by force. The revisionist aims of the Hitler government, however, create less apprehension in the Little Entente than the territorial aspirations of Hungary which, with Italy's backing, might seek not only re-establishment of its historic frontiers, but even restoration of the Hapsburgs. True, the demand of the German Nazis for inclusion of all German-speaking peoples in the Third Reich threatens Czechoslovakia's control of three key provinces—Moravia, Bohemia and Teschen Silesia—where most of its 3,500,000 Germans are concentrated. But Czechoslovak statesmen apparently believe that Germany might be willing to accept the *status quo* in this region, as it already has in the Polish Corridor, and even consecrate it temporarily by the conclusion of a ten-year non-aggression pact with Czechoslovakia, similar to the German-Polish pact of January 26, 1934. Czechoslovakia is all the more inclined to follow this course because it can no longer count on the unqualified support of Poland, Rumania and Yugoslavia in a conflict with Germany. Not only is Poland now bound to refrain from attacking Germany, but it has been engaged in a controversy with Czechoslovakia over the treatment of the Polish minority in Teschen, a territory assigned to Czechoslovakia in 1920;<sup>48</sup> while the economic interests of Rumania and Yugoslavia dictate a pro-German orientation.

More dangerous for the Prague government is Germany's dream of union with Austria, which, if realized, would isolate Czechoslovakia in Central Europe. Dr. Benes has asserted that he regards solution of the Austrian problem by means of *Anschluss* as "impracticable"; but he is even more vigorously opposed to any Italian scheme for preservation of Austria's independence which is not clearly dissociated from territorial revision in the Danubian basin.<sup>49</sup> According to Dr. Benes the only practicable solution is "the absolute independence and integrity of Austria under European guarantee" on the basis of the 1922 Geneva protocol, which all states interested in Austria would be invited to join, and whose political clauses would be supplemented by economic provisions.<sup>50</sup>

48. "Malentendus entre la Tchécoslovaquie et la Pologne," *L'Europe Centrale*, March 31, 1934, p. 193.

49. Speech of Dr. Benes before the Foreign Affairs Commissions of the Czechoslovak Parliament on March 21, 1934. *The Central European Observer*, March 23, 1934, p. 95.

50. *Ibid.* For discussion of the 1922 Geneva protocol, cf. Vera M. Dean, "Austria: The Paralysis of a Nation," *Foreign Policy Reports*, January 4, 1933.

## THE LITTLE ENTENTE AND HUNGARY

The real enemy, according to the Little Entente, is not Germany, but Hungary, whose demand for the return of the 3,500,000 Hungarians it lost under the treaty of Trianon threatens the territorial integrity of all three states.<sup>51</sup> In the course of a visit to Great Britain in November 1933 Count Bethlen, former Hungarian premier, revived Hungary's revisionist campaign by presenting what he described as its minimum territorial demands.<sup>52</sup> These demands include the return of territories along Hungary's present borders inhabited exclusively by Magyars, such as the "Grosse Schütt," an island in the Danube now part of Czechoslovakia; a large measure of autonomy for Slovakia and Ruthenia, which would enable these regions to hold a plebiscite in the future, free from Czechoslovakia's influence;<sup>53</sup> a plebiscite in former Hungarian territory now held by Yugoslavia; and the transformation of Transylvania into an eastern Switzerland in which all the nationalities which inhabit it—Rumanians, Hungarians, Germans—would enjoy home rule and equal rights.<sup>54</sup>

Hungarian publicists support the demands relating to Slovakia with the argument that the Slovak People's party, headed by Father Hlinka, desires reunion of Slovakia with Hungary, and is prevented by Czech political pressure from realizing this desire. The Hungarian contention is denied not only by the Czechs, but by Father Hlinka, who declares that his party merely demands autonomy within the Czechoslovak state, and that the Slovaks, most of whom are peasants, would never exchange the democratic rule of an economically progressive state like Czechoslovakia for that of still feudal Hungary, which subjects the Slovak minority within its borders to ruthless Magyarianization.<sup>55</sup>

While Czechoslovakia accuses Hungary of fomenting and financing a campaign for the return of Slovakia, Yugoslavia claims that Hungary, with the aid of Austria and Italy,

is conducting a similar campaign in Croatia. The Italian press has frequently commented on the existence of serious unrest among the Croats, many of whom resent the dictatorial rule of King Alexander and his policy of Serbization,<sup>56</sup> and has even declared that the Croats might form an autonomous state closely linked to Italy; and Croat insurgents have on more than one occasion found refuge in Vienna. That a bloc formed by Austria and Hungary under Italian patronage might seek to include Croatia was indicated by Chancellor Dollfuss on March 11, 1934, when he told a group of Croat students in Vienna that "our common fatherland, Austria, shall be your paternal roof also."<sup>57</sup> Well-informed observers, however, believe that serious as are the political and religious differences which separate Serbs and Croats, the latter will prefer to work out their destiny within a Slav state rather than submit again to the rule of alien races.<sup>58</sup>

While minor frontier rectifications might result in the peaceful return of several hundred thousand Magyars to their native land, the Little Entente countries doubt that such rectifications would satisfy Hungary. They believe that Hungary will never rest until it has obtained restitution of its 1914 frontiers which, in their opinion, could be achieved only by resort to force.<sup>59</sup> Equally alarming to the Little Entente is the prospect that Hungary might restore Archduke Otto, son of the late Emperor Charles,<sup>60</sup> who now lives in Belgium with his mother, ex-Empress Zita. The Little Entente has consequently concentrated its efforts on resisting Hungary's attempts to join forces with Austria and Italy in revising the territorial map of Central Europe, and in this struggle has sought the collaboration of the Balkan countries and the Soviet Union.

Little Entente policy was clearly formulated at a conference held in Sinaia on September 25-28, 1933. The three states declared their unalterable opposition to the formation of an Austro-Hungarian bloc dominated by Italy, and discussed the possibility of closer cooperation with a Balkan bloc through the intermediary of Rumania

51. Under the treaty of Trianon of June 4, 1920 Hungary ceded Transylvania and two-thirds of the Banat of Temesvar, including approximately 1,500,000 Magyars, to Rumania; Croatia-Slavonia and the western third of Temesvar, with 500,000 Magyars, to Yugoslavia; Slovakia and Carpathian Ruthenia, with almost 1,000,000 Magyars and 500,000 Ruthenians to Czechoslovakia; and Burgenland, or German West Hungary, to Austria.

52. These demands were made in four lectures delivered by Count Bethlen before the League of Nations Union, the Near and Middle East Association, the Royal Institute of International Affairs and the Balkan Committee.

53. The cession of Ruthenia to Hungary would destroy railway connections between Czechoslovakia and Rumania. Cf. R. W. Seton-Watson, "The Problem of Treaty Revision and the Hungarian Frontiers," *International Affairs* (Royal Institute of International Affairs), January-February 1933, p. 79. Professor Seton-Watson admits, however, that the pledges of autonomy given by Czechoslovakia with regard to Ruthenia in 1919 have been only partially executed. Seton-Watson, *Treaty Revision and the Hungarian Frontiers* (London, Eyre and Spottiswoode, 1934), p. 60-61.

54. Ladislas Ottlik, "Les Conférences du Comte Bethlen en Angleterre," *Nouvelle Revue de Hongrie*, January 1934, p. 72. Cf. also *New York Times*, January 6, 1934.

55. Cf. Igor Hrusovsky, "The Case against Revision," *The Central European Observer*, December 18, 1933, p. 461; *idem.*, "Is Revision in the Interests of Peace in Central Europe?" *ibid.*, January 12, 1934, p. 6; Dr. Kamil Krofta, Deputy Foreign Minister of Czechoslovakia, "The Real Danger of the Hungarian Nationality Policy," *ibid.*, May 26, 1933, p. 183; "Slovak M.P.'s and Treaty Revision: Declaration by Slovak Deputies and Senators," *ibid.*, January 26, 1934, p. 24.

56. Paolo Pietri, "Il Conflitto Serbo-Croato," *Gerarchia*, January 1933, p. 38.

57. *New York Times*, March 12, 1934.

58. Louis Adamic, *The Native's Return* (New York, Harper's, 1934), p. 275.

59. Seton-Watson, "The Problem of Treaty Revision and the Hungarian Frontiers," cited. Cf. also *idem.*, "The Problem of Revision and the Slav World," *The Slavonic Review*, July 1933, p. 24; *Treaty Revision and the Hungarian Frontiers*, cited.

60. Charles became Emperor following the death of Francis-Joseph on November 21, 1916. He abdicated the throne of Austria on November 11, 1918, and that of Hungary two days later.

and Yugoslavia, members of both groups.<sup>61</sup> Even more outspoken was the resistance to Hungary's aspirations expressed by Dr. Benes and M. Titulescu at a conference held in Kosice on December 10, 1933, in direct reply to Count Bethlen's revisionist campaign. Not only is Kosice located in the disputed territory of Slovakia, but it occupies a strategic position on the only railway line linking Czechoslovakia and Rumania, which would acquire paramount importance in case of war with Hungary. At the close of this conference M. Titulescu declared that "revision of treaties is impossible" and represents a serious menace to peace. He denied that Article XIX of the Covenant, which provides for reconsideration of obsolete agreements, permits revision of the territorial clauses of the peace treaties. The Little Entente states, said M. Titulescu, regard the treaty of Trianon as a definite settlement; from their point of view "preparations for revision amount to preparations for war."<sup>62</sup>

The decision of the Little Entente to direct its efforts against Hungary, Austria and Italy, rather than against Germany, was re-affirmed at the Zagreb conference held on January 20-23, 1934.<sup>63</sup> The three states recognized the seriousness of the Nazi threat to Austria, but apparently agreed not to affront Germany on this question. They were unequivocal, however, in rejecting Italy's proposals for reform of the League of Nations, and in demanding that disarmament negotiations should continue at Geneva, and not at small conferences of the great powers as suggested by Italy. They approved the Balkan pact,<sup>64</sup> and discussed recognition of the Soviet government. Although Czechoslovakia, Rumania and Yugoslavia signed a non-aggression pact with the Soviet Union on July 4, 1933<sup>65</sup>—a pact which contains a broad definition of aggression—Czechoslovakia alone has recognized the Soviet government, and that only *de facto*. Recognition is favored by Dr. Benes, who supports France's policy of rapprochement

with the Soviet Union, but is opposed by Rumania and Yugoslavia, which fear Communist propaganda among their peasants. Rumania, moreover, doubts whether the Soviet government has relinquished its claim to Bessarabia, a province seized by Rumania in 1918, while King Alexander of Yugoslavia is personally hostile to the Soviet régime<sup>66</sup>—an attitude in which he has been strengthened by the White Russians who found refuge on Yugoslav soil after the Bolshevik revolution.<sup>67</sup> Public sentiment in Yugoslavia, however, is favorable to establishment of diplomatic relations<sup>68</sup> with a country to which the South Slavs were bound before 1917 by tradition, language, religion and similarities of economic development.

The marked tendency of Poland and the Little Entente to follow an independent course in foreign affairs which may not always coincide with France's interests has provoked considerable apprehension in French political circles. France, already alarmed by the re-armament of the Reich, has failed to obtain British guarantees of the Continental *status quo*, and has not yet succeeded in winning the friendship of Italy, whose demands for territorial concessions in Africa it has made no attempt to satisfy. Meanwhile Poland and the Little Entente countries, fearing that France might settle its conflicts with Germany and Italy at their expense, have not hesitated to consolidate their relations with other European countries. In an effort to regain lost ground the French Foreign Minister, M. Louis Barthou, who had negotiated France's alliance with Poland in 1921, visited Warsaw and Prague during the last week of April 1934. While the Pilsudski government re-affirmed its friendship of France, it made it plain that this friendship cannot interfere with Poland's German and Soviet relations. M. Barthou himself acknowledged the new situation by emphasizing the fact that Poland and Czechoslovakia are no longer satellites but equals of France.

### "THE BALKANS FOR THE BALKAN PEOPLES"

The Balkan states, like the Little Entente, have shown a tendency to substitute regional understandings for international or even inter-European agreements and to stabilize their mutual relations, free from the influence of the great powers. The leading part in this campaign for Balkan cooperation has been played by Turkey and Greece, which

on September 14, 1933 concluded a ten-year non-aggression pact.<sup>69</sup> The Turkish Foreign Minister, Dr. Tewfik Rushdi Bey, and the Greek Foreign Minister, General Maximos, repeatedly visited the Balkan capitals during the past year in an effort to win the ad-

61. Albert Mousset, "La Petite Entente vue de Belgrade et de Bucarest au lendemain de Sinaia," *L'Europe Nouvelle*, October 28, 1933, p. 1039.

62. *The Central European Observer*, December 18, 1933, p. 458.

63. Hubert Beauve-Méry, "Des Accords Economiques de Prague à la Conférence de Zagreb," *L'Europe Nouvelle*, January 27, 1934, p. 99; *The Central European Observer*, January 28, 1934, p. 21.

64. Cf. p. 68.

65. For discussion of this pact, cf. Dean, "Political Re-alignments in Europe," cited; "The Little Entente, the Peace Club and the Eastern Pact," *The Central European Observer*, July 21, 1933, p. 255.

66. Mousset, "L'U.R.S.S. et la Petite Entente," cited.

67. Cf. Adamic, *The Native's Return*, cited, p. 364.

68. *Ibid.*, p. 292-293. *The Economist* (London), February 8, 1934, p. 237.

69. Cf. Mabel S. Ingalls, "The Balkans in the World Crisis," *Foreign Policy Reports*, December 6, 1933, p. 230. For text of this pact, cf. *L'Europe Nouvelle*, October 14, 1933, p. 996. Turkey concluded a similar pact with Rumania on September 22, 1933, and with Yugoslavia on November 28, 1933.

herence of all Balkan states to a program of collaboration based on maintenance of the territorial *status quo* and the slogan "the Balkans for the Balkan peoples."<sup>70</sup> Their proposals were welcomed by Rumania and Yugoslavia, which were alarmed by France's discontinuance of the financial assistance it has given them since the World War, and hoped to obtain the assistance of Greece and Turkey in their struggle against territorial revision in Eastern Europe as well as the Balkans. The projected Balkan pact was thus gradually transformed from an instrument assuring Balkan collaboration into one guaranteeing the *status quo*. This change in emphasis alienated Bulgaria, whose demands for treaty revision<sup>71</sup> are supported by Italy, and of Albania, subjected since 1926 to Italian financial control. At the same time the two Slav states in the Balkans—Yugoslavia and Bulgaria—were increasingly eager to adjust existing disputes over the Macedonian question, and Yugoslavia even indicated that it was more interested in concluding a bilateral non-aggression agreement with Bulgaria than a Balkan pact.<sup>72</sup> So favorable was public sentiment in both countries toward a rapprochement, that it aroused apprehension in Greece, which feared that the two Slav states might join in demanding outlets to the Aegean, which could be secured only by cession of Greek territory.<sup>73</sup>

The efforts of Greece and Turkey to conciliate these conflicting interests led to the liveliest diplomatic exchanges which the Balkans have known since the World War. In the course of these negotiations M. Titulescu, Rumania's Foreign Minister, visited Sofia, Belgrade and Angora in October 1933, while Dr. Rushdi Bey and Mehmed Bey Konitsa, personal adviser to King Zog of Albania, went to Belgrade in November to negotiate trade agreements with Yugoslavia. Nor were the Balkan sovereigns idle during this period. King Alexander of Yugoslavia visited King Boris of Bulgaria at Varna and Mustapha Kemal Pasha at Angora in October, and received the Greek Foreign Minister at Zagreb on December 22; King Boris, who conferred with King Carol of Rumania aboard the latter's yacht on the Danube on October 31, paid a visit to Belgrade on De-

70. Léon Savadjian, "La Politique Extérieure de la Turquie et le Problème de la Paix Balkanique," *L'Europe Nouvelle*, December 16, 1933, p. 1206.

71. Mathias Neller, "Lettre de Sofia," *Nouvelle Revue de Hongrie*, April 1934, p. 415. Under the treaty of Neuilly of November 27, 1919 Bulgaria ceded four regions in its western portion containing large Bulgarian majorities to Yugoslavia, and Western Thrace to Greece, thus losing its Aegean coastline. The Allies, however, promised "to ensure the economic outlets of Bulgaria to the Aegean Sea"—a promise which has not yet been fulfilled.

72. Albert Mousset, "La Conférence de Rome vue de Belgrade," *L'Europe Centrale*, March 24, 1934, p. 186.

73. *Christian Science Monitor*, March 7, 1934. For a discussion of Bulgaria's claim to an outlet on the Aegean, cf. Ingalls, "The Balkans in the World Crisis," cited.

ember 10, and to Sinaia in Rumania on January 25, 1934.<sup>74</sup>

#### THE BALKAN PACT

Despite these diplomatic activities, Rumania and Yugoslavia failed to persuade their World War enemy, Bulgaria, to join the Balkan pact, which was finally signed at Athens on February 9, 1934, while negotiations for a bilateral non-aggression agreement between Yugoslavia and Bulgaria were still pending. In this pact<sup>75</sup> Turkey, Greece, Rumania and Yugoslavia, "firmly determined to assure . . . the maintenance of present territorial boundaries in the Balkans," mutually guarantee the security of their Balkan frontiers, and agree to undertake no political action or assume any political obligation toward any Balkan country not a signatory of the pact without the consent of the other contracting parties. The latter clause is regarded as a lever which the four powers may use in concert to extract concessions from Bulgaria. The failure of Bulgaria and Albania to subscribe to the Balkan pact, which remains open to adherence by all Balkan countries, seriously impairs its value as a factor in Balkan stabilization.

#### THE SECRET PROTOCOL

The meaning of the pact may also be altered by the provisions of a secret protocol, which was apparently signed at the same time, and which amplifies the obligations of the four powers to render military assistance should one of them be the victim of aggression.<sup>76</sup> This secret protocol is said to contain a definition of aggression similar to that proposed by the Soviet government at the Disarmament Conference in May 1933 and embodied in the pact concluded by the Soviet Union with Czechoslovakia, Rumania and Yugoslavia at the World Economic Conference in July 1933. This definition characterizes the harboring of revolutionaries seeking the overthrow of another state as aggression and, according to some observers, might be applied to Bulgaria, which gives refuge to Macedonian insurgents opposed to Yugoslav rule. The protocol is also reported to provide that, should one of the parties be attacked by a non-Balkan state aided by a Balkan country, the latter will be regarded as an aggressor within the meaning of the Balkan pact. This provision apparently contemplates a conflict in which Italy, with the aid of Bulgaria and Albania, would attack Yugoslavia. Finally, while the Balkan

74. Albert Mousset, "La Diplomatie Balkanique en Effervescence," *L'Europe Nouvelle*, October 14, 1933, p. 988; *idem*, "Une Nouvelle 'Atmosphère' Balkanique," *ibid.*, December 16, 1933, p. 1193.

75. For text of this pact, cf. *New York Times*, March 13, 1934. Cf. also Albert Mousset, "Le Pacte Balkanique," *L'Europe Nouvelle*, February 17, 1934, p. 173.

76. A summary of this alleged protocol was published in the Bulgarian newspaper, *Zora* (Sofia), March 18, 1934, and quoted in M. Venizelos' organ, *Eleftheron Vima* (Athens), March 21, 1934; cf. also *New York Times*, April 26, 1934.

pact officially runs for five-year periods, the secret protocol permits the signatories to reconsider its terms at the end of two years. This clause is said to have been inserted at the demand of Yugoslavia, which hopes that in two years the present pact might be abandoned in favor of a broader Balkan understanding in which Bulgaria would be included. Yugoslavia, moreover, might invoke this provision should the Balkan pact prove an insuperable obstacle to its projected rapprochement with Bulgaria.<sup>77</sup>

The Balkan pact, already weakened as an instrument of pacification by these abstentions and qualifications, has met with serious opposition in the countries which initiated it—Turkey and Greece. The Soviet government is reported to have pointed out that, under this pact, Turkey might find itself obligated to support Rumania in a possible conflict with the Soviet Union over the disputed territory of Bessarabia, while ex-Premier Venizelos, who has always sup-

ported the cause of Balkan collaboration, has expressed the fear that, in case of a Yugoslav-Albanian conflict, Greece might be confronted with the necessity of defending Yugoslavia against Italy, to which it is bound by many ties of friendship.<sup>78</sup> These criticisms have in both cases been met by the contention that the pact applies only to conflicts affecting Balkan frontiers, and that neither Greece nor Turkey are obligated to defend Rumania and Yugoslavia in disputes involving non-Balkan powers.<sup>79</sup> From a broader point of view, while the Balkan pact opposes treaty revision, and may thus be interpreted as a move against Germany and Hungary, it represents above all the desire of the Balkan states to terminate their post-war dependence on the great powers and steer their own course in foreign affairs. The Balkan pact, welcomed by France and Czechoslovakia, has been criticized by Italy which sees in it an obstacle to its plans for expansion in the eastern Mediterranean.

### THE ITALO-AUSTRO-HUNGARIAN BLOC

While the Little Entente and Balkan countries have united in opposing treaty revision, Italy has joined forces with Hungary and Austria in resisting what it describes as the Pan-German menace of the Third Reich and the Pan-Slavic threat of the Little Entente.<sup>80</sup> Italy, at first enthusiastic over the advent of Hitlerism, has grown increasingly apprehensive regarding Nazi designs on Austria. While Italy has long advocated territorial revision for Hungary, it would not welcome Germany's absorption of Austria, which would bring the Reich's frontier to the Brenner Pass, and might be followed by a Nazi attempt to seize the Italian Tyrol inhabited by 200,000 Germans. Italy, moreover, believes that the sphere of influence it has created in Eastern Europe and the Balkans, where it has cultivated the friendship of countries opposed to the *status quo*—Hungary and Bulgaria—is menaced by Germany's expansion to the East.

The Mussolini government has consequently concentrated its efforts on preservation of Austria's independence by all political and economic means at its disposal. Not only has it given moral and financial support to the government of Chancellor Dollfuss, backed by the Fascist *Heimwehr* under the leadership of Prince von Starhemberg, but it has urged Austria to develop its trade with Hungary, and has promised economic concessions to both countries. The last obstacle to the formation of a bloc by the three states

disappeared in February 1934, when the Dollfuss government wiped out the Austrian Socialist party which, according to the Italian press, had been financed by France and Czechoslovakia.<sup>81</sup> France, which under the government of national union of Premier Doumergue is determined at all costs to prevent union of Austria with Germany, has approved Mussolini's plans for economic rehabilitation of the Danubian region, and has urged the Little Entente to collaborate with Italy. The Little Entente countries, however, have resisted this policy, not only because of Yugoslavia's post-war hostility to Italy, but because the support given by Mussolini to Hungary's revisionist demands conflicts with their territorial interests.

Negotiations for the formation of an Italo-Austro-Hungarian bloc have been marked by lively exchanges between the three capitals. Premier Goemboes of Hungary, who had conferred with Chancellor Dollfuss in Vienna on July 9, 1933, visited Rome on July 25, when the Italian press declared it was Italy's policy to defend the states "most meritorious because most injured by the *status quo* and, among those states, Hungary first of all."<sup>82</sup> Alleviation of Austria's economic plight also formed the subject of conversations between Mussolini and Dollfuss on August 20-21, 1933 at the Italian resort of Riccione. These conversations were followed by the conclusion of an Austro-Hungarian trade agreement on August 25, in which the two countries granted

77. *Christian Science Monitor*, March 7, 13, 1934.

78. *Ibid.*, March 13, 1934; Albert Mousset, "La Curieuse Offensive de M. Vénizélos contre le Pacte Balkanique," *L'Europe Centrale*, March 10, 1934, p.152.

79. *New York Times*, March 11, 1934.

80. "La Missione dell' Italia," *Corriere della Sera*, March 7, 1934.

81. "Una Disfatta," *ibid.*, February 16, 1934. For discussion of Austria's internal situation, cf. Wertheimer, "The Foreign Policy of the Third Reich," cited.

82. "La Giustizia per la Pace," *Corriere della Sera*, July 27, 1933.

special facilities to their respective exports. The plans elaborated in the course of negotiations between the three states were finally embodied in a memorandum on economic rehabilitation of Central Europe which Italy communicated to the great powers and the Succession States on September 30, 1933.<sup>83</sup>

#### ITALIAN MEMORANDUM, SEPTEMBER 1930

This memorandum stated that the diversity of economic conditions in the Succession States makes it difficult to effect economic rehabilitation in Central Europe by multilateral treaties or collective action. To remedy the existing situation, Italy outlined the following five-point program:

1. Conclusion of bilateral agreements, which have always been supported by Italy in preference to multilateral treaties.<sup>84</sup>

2. Preferential treatment not only for Danubian cereals, as proposed at the Stresa Conference in September 1932, but for other Danubian agricultural products.

3. Preferential treatment for Austria's manufactured goods.

4. Improvement of the trade balance of the Danubian countries and increase of their exports. This end, according to Italy, can be achieved if each Danubian state reserves an "equitable share" of its market for the export of non-Danubian countries which not only grant it preferential treatment, but have an unfavorable balance of trade with it. Italy, it should be noted, is the only non-Danubian country which has an unfavorable balance of trade with the Danubian states.

5. Measures designed to direct the current of traffic toward its "natural" routes. This proposal contemplates diversion of Central European trade from the German ports, to which it has gravitated since the World War, to the Italian ports of Trieste and Fiume, which before 1914 served as outlets for the trade of the Austro-Hungarian Empire.

The Italian memorandum aroused no enthusiasm among the members of the Little Entente, which declared that its proposal for bilateral agreements directly conflicted with their policy of collective action in foreign affairs.<sup>85</sup> They argued that the measures sponsored by Italy would serve less to relieve the economic plight of Austria and Hungary than to revive traffic through Italian ports. The proposed diversion of trade from Hamburg to Trieste and Fiume was resented not only by Czechoslovakia, which has benefited by the transit of goods from Austria and Hungary to German ports, but also by Germany, which declared that no scheme for Danubian reconstruction could succeed without its collaboration.

The opposition of Germany and the Little Entente only strengthened Italy's determination to create an Austro-Hungarian bloc.

83. For text of this memorandum, cf. *L'Europe Nouvelle*, November 11, 1933, p. 1001.

84. Cf. Vera M. Dean, "European Efforts for Economic Collaboration," *Foreign Policy Reports*, August 19, 1931.

85. "Central Europe and the Italian Memorandum," *The Central European Observer*, October 27, 1933, p. 385.

The Italian press became increasingly more outspoken in its attacks on Germany's attitude toward Austria. Fearing that the Nazis would stage a *Putsch* while the Dollfuss government was still shaken by its conflict with the Socialists,<sup>86</sup> Italy urged the powers which had guaranteed Austria's independence to warn Germany that they would not tolerate interference in Austrian affairs. The British government, however, refused to countenance such a warning. On February 17 Great Britain, France and Italy merely issued an innocuous communiqué, in which they declared that they took "a common view regarding the necessity of maintaining Austria's independence in accordance with the relevant treaties."<sup>87</sup> Two days later *Il Giornale d'Italia* used a stronger tone when it commented on the existence of an Austro-German movement working for "the subjugation of Austria by Germany" and stated that, while Italy encouraged treaty revision, it had always maintained that revision "must take place by processes matured on the plane of international collaboration and not by means of untimely, arbitrary and unilateral acts." Nor were Italo-German relations improved by the Reich's attempt to reduce its imports of agrarian products and achieve agricultural self-sufficiency.<sup>88</sup>

#### THE ROME PROTOCOLS

The suppression of Austrian Socialism and renewed threats of a Nazi attack on the Dollfuss régime coincided with an acceleration of negotiations between Italy, Austria and Hungary. Chancellor Dollfuss was conferring with Premier Goemboes in Budapest on February 9, when the *Heimwehr* raided Socialist strongholds throughout Austria. His visit was closely followed by that of Fulvio Suvich, Italian Under Secretary of Foreign Affairs, to Budapest and Vienna on February 21-23. According to an official Hungarian summary, the purpose of these negotiations was not only to facilitate closer economic cooperation between the three capitals, but to consider the political reorganization of the Danubian region.<sup>89</sup> This exchange of visits culminated in a conference held by Dollfuss, Goemboes and Mussolini in Rome, which ended on March 17 with the conclusion of three protocols at the Palazzo Venezia. In the first of these protocols, which is open to adherence by other states, Italy, Austria and Hungary agree to consult each other whenever one of them considers it advisable, and to pursue a common policy designed to promote effective cooperation among European states. The sec-

86. Cf. Wertheimer, "The Foreign Policy of the Third Reich," cited.

87. *New York Times*, February 18, 1934.

88. Alberto de Stefani, "Commercio Italo-Tedesco," *Corriere della Sera*, November 2, 1933.

89. *New York Times*, February 22, 1934.

ond protocol provides for the conclusion, before May 15, of bilateral agreements to foster the exports of the three states; promises that Italy and Austria will adopt measures to relieve the difficulties suffered by Hungary owing to the decline in wheat prices; declares that every effort will be made to develop traffic through Adriatic ports; and creates a permanent committee of three experts to develop economic relations between the signatory states. In the third protocol Italy and Austria agree to open trade negotiations on April 5, and Italy undertakes to grant preferential treatment to the largest possible number of Austrian manufactured products.<sup>90</sup> While no public reference was made to treaty revision during these negotiations, Premier Mussolini told the quinquennial assembly of the Fascist party on March 18 that Hungary, "isolated and despoiled of purely Magyar territories," demands "justice" and fulfilment of the promises which were solemnly made to it at the time of the peace treaties." Italy, he declared, has supported and will support "this postulate," adding that the Hungarian people "is a strong people which deserves and will have a better destiny."<sup>91</sup> In this speech Mussolini revealed once more the inconsistency of Italy's attitude on revision of the peace treaties. For if Italy demands revision of the treaty of Trianon to redress the wrongs of Hungary, it opposes revision of the Versailles and Saint-Germain treaties as long as such revision involves Austro-German union and absorption of the South Tyrol in a German-speaking state.

The efficacy of Italy's Danubian scheme hinges on the measure of mutual economic assistance which can be extended by the three states composing the bloc. The facilities which Italy offers Austria and Hungary in its Adriatic ports can do little to revive their trade unless Italian imports of their products are substantially increased.<sup>92</sup> Nor do the trade agreements sponsored by Rome promise an adequate solution of Austro-Hungarian economic problems. Increase of Hungary's agrarian exports to Austria is opposed by Austrian farmers, who have the support of Chancellor Dollfuss, while Italy, which strives for self-sufficiency in wheat, offers practically no market for this Hungarian export. Italy may succeed in absorbing a larger quantity of Austrian manu-

90. For the text of the Rome protocols, cf. *New York Times* and *Corriere della Sera*, March 18, 1934.

91. For the text of Mussolini's speech, cf. *ibid.*, March 20, 1934. Mussolini's statement regarding promises made to Hungary at the time of the peace treaties apparently refers to a letter addressed by the Allied and Associated powers to the Hungarian delegation at the Peace Conference on May 6, 1920, in which the powers admitted that "at certain special points the frontier traced by them cannot precisely correspond to the ethnic or economic needs, and that an inquiry on the spot will perhaps show the need of altering the limit foreseen in the treaty in a particular place." H. W. V. Temperley, *A History of the Peace Conference of Paris* (London, Frowde and Hodder, 1921), Vol. IV, p. 422.

factured goods than in the past, but Austria cannot hope to expand industrial exports to Hungary, whose manufacturers are determined to resist their neighbors' competition. More serious still, the Reich, alarmed by Italy's move, has threatened to retaliate by closing its market to Austro-Hungarian trade.<sup>93</sup> Despite these obstacles, it is not impossible that, pressed by political necessity, Italy, Austria and Hungary—like the Little Entente—may temporarily sacrifice the interests of their respective producers for the sake of consolidating their bloc.

Owing probably to the influence of France, which believes that Italy has discovered a practicable method of preventing *Anschluss*, Czechoslovakia has expressed less opposition to the Rome protocols than to other Danubian schemes sponsored by the Mussolini government. Speaking before the Foreign Affairs Commissions of the Czechoslovak parliament on March 21, Dr. Benes said that the Little Entente countries did not "look *a priori* with disfavor" on the Rome protocols, provided they were designed to pave the way for collaboration among all states interested in Austria, including France and Germany, "on the basis of existing treaties."<sup>94</sup>

#### "JUSTICE FOR HUNGARY"

Any hope of drawing the Little Entente into the Italo-Austro-Hungarian bloc, however, was apparently dissipated by Mussolini's renewed support of Hungary's demand for treaty revision.<sup>95</sup> Yet indications are not lacking that failure to support Hungary's revisionist demands might deprive Mussolini of Hungarian collaboration in his struggle to preserve

92. The relation which imports and exports exchanged by the three states bore to their total foreign trade in 1933, as well as to their trade with Germany and the Little Entente countries, is shown in the following tables:

ITALY*		Exports to Percentage
	Imports from Percentage	
Austria	2.33	2.14
Hungary	1.03	1.04
Germany	14.47	11.70
Czechoslovakia	1.16	1.46
Rumania	2.19	1.95
Yugoslavia	2.00	2.57

\*Eleven months.

AUSTRIA†		
	Imports from Percentage	Exports to Percentage
Italy	4.2	10.7
Hungary	11.3	10.0
Germany	20.2	15.8
Czechoslovakia	13.1	7.7
Rumania	4.7	5.2
Yugoslavia	9.0	7.0

†Nine months.

HUNGARY		
	Imports from Percentage	Exports to Percentage
Austria	19.94	27.12
Italy	7.39	8.68
Germany	19.62	11.35
Czechoslovakia	10.33	7.44
Rumania	7.77	3.20
Yugoslavia	6.19	5.44

This table is based on figures given in "A New Danubian Plan," *The Economist* (London), March 31, 1934, p. 687.

93. *New York Times*, March 20, 1934.

94. For text of this speech, cf. *The Central European Observer*, March 23, 1934, p. 95.

95. "Le Discours de M. Mussolini," *L'Europe Centrale*, March 24, 1934, p. 185; Albert Mousset, "La Conférence de Rome vue de Belgrade," *ibid.*, p. 186.

the independence of Austria. For revision of the Trianon treaty remains the guiding principle of Hungary's foreign policy, and its statesmen are ready to cooperate with all states willing to underwrite this demand. As a result Hungary, while negotiating with Italy, has left the door open for collaboration with Germany, and has even played one off against the other. Thus, before visiting Vienna and Rome in July 1933, Premier Goemboes conferred with Chancellor Hitler in Berlin on June 17 regarding an increase in German purchases of Hungarian agricultural products.<sup>96</sup> On September 15, Vice-Chancellor von Papen of Germany, an ardent Catholic, visited Budapest while the Hungarian Foreign Minister, Koloman de Kanya, was negotiating in Paris for French assistance in the solution of Danubian problems. On January 17, 1934 Premier Goemboes again visited Chancellor Hitler, and on February 21, during the visit of Italian Under Secretary Suvich to Budapest, Hungary concluded an amendment to its commercial treaty with Germany, by which the two countries accorded each other special facilities for their respective exports.<sup>97</sup> Even during the negotiations between Dollfuss, Goemboes and Mussolini in March, it was announced that Vice-Chancellor von Papen would visit Rome, ostensibly to attend a meeting of the Knights of Malta. When he was detained in Berlin by an indisposition, the German Ambassador to Rome called on Premier Goemboes, ostentatiously omitting to pay a similar call on Chancellor Dollfuss.

This deliberate balancing of Germany against Italy is due, in part, to some difference of opinion among Hungarian leaders regarding the relative advantages of a pro-German and pro-Italian orientation. The former course is advocated by Foreign Minister de Kanya, a close friend of Vice-Chancellor von Papen, while the latter apparently has the sympathy of Premier Goemboes. The conclusion of the German-Polish non-aggression pact and the possibility of a similar treaty between the Reich and Czechoslovakia have caused some apprehension among pro-German Hungarians, who fear that the Reich, temporarily at least, has given up hope of territorial revision in Eastern Europe.<sup>98</sup> Many Hungarians, moreover, have been alienated by the Nazi theory of race superiority, which exalts the German people as a *Herrenvolk* (master-race) — a theory repugnant to the racial pride of the Magyars. Collaboration with Austria and Hungary has meanwhile won the support of

96. *New York Times*, June 18, 1933.

97. Franz von Papen, "Les Deux Routes de la Hongrie," *Nouvelle Revue de Hongrie*, March 1934, p. 219; Elmer Stemonsits, "Le Commerce Hungaro-Allemand," *ibid.*, April 1934, p. 426.

98. *Nouvelle Revue de Hongrie*, March 1934, p. 301. Cf. also *The Central European Observer*, February 9, 1934, p. 40.

Hungarian Catholics, who resent the suppression of Catholic activities in Germany, and regard Chancellor Dollfuss as the first Catholic statesman to carry the principle of the *Quadragesimo Anno* encyclical into effect.<sup>99</sup> Nor are Hungarian leaders agreed on the question of Hapsburg restoration, which has so alarmed the Little Entente. Restoration, favored by Count Bethlen, is opposed by Premier Goemboes. While Hungarians in general might not oppose the return of Otto and his coronation with the "iron crown of Saint Stephen," they would probably resist any attempt to unite Austria and Hungary under a Hapsburg ruler. For if Hungary desires revision of the peace treaties, it has little intention of renewing its political union with Austria which came to an end in 1918. Nor must it be forgotten that, should Budapest press its claims to territorial revision, the province of Burgenland, which Hungary ceded to Austria in 1920, might become a bone of contention between the two countries. Speaking in the Burgenland on July 2, 1933 Chancellor Dollfuss declared that this region had become an inseparable portion of Austria, about which there could be no discussion.<sup>100</sup>

#### FASCISM IN AUSTRIA

Meanwhile, the Dollfuss government, having wiped out the Austrian Socialists and temporarily succeeded in keeping the Nazis at bay, is proceeding with the reorganization of the state on the basis of the Papal encyclical, *Quadragesimo Anno*, issued in 1931.<sup>101</sup> The new constitution, approved by a rump Parliament on April 30, declares that all laws "emanate" from God Almighty, and provides for the establishment of an autocratic Christian state. Five chambers, based on representation of economic, professional and religious interests, will take the place of the defunct parliament. The government, however, will be responsible not to these chambers, but to the Federal President, who will possess wide powers of legislating by decree.<sup>102</sup> Dollfuss supporters, while admitting the authoritarian character of the new state, in which the Catholic Church will exercise a predominant influence, deny that it follows the Fascist pattern, arguing that no attempt is made to subordinate the state to a single political party, as in Germany and Italy.<sup>103</sup> This contention, however, is weakened by the fact that all anti-Socialist and anti-Nazi

99. *Nouvelle Revue de Hongrie*, March 1934, p. 300.

100. Seton-Watson, *Treaty Revision and the Hungarian Frontiers*, cited, p. 67.

101. *Quadragesimo Anno: Encyclical Letter of Pope Pius XI on Reconstructing the Social Order* (New York, The Paulist Press, 1931). Cf. also John LaFarge, S.J., "What does Dollfuss want?" *America*, March 17, 1934, p. 565.

102. For the main provisions of the new constitution, cf. *New York Times*, May 1, 1934.

103. Dr. Franz Klein, "Weder Demokratie, noch Faschismus," *Der oesterreichische Volkswirt*, March 31, 1934, p. 583.

elements in Austria, including the Fascist *Heimwehr* commanded by Prince von Starhemberg, are being gradually united in a single organization, the Patriotic Front, under the leadership of Chancellor Dollfuss.<sup>104</sup>

While the prospects of Hapsburg restoration in the immediate future are slight, the new Austrian constitution facilitates Otto's return by omitting the clauses of the republican constitution providing for banishment of the Hapsburgs and confiscation of their property.<sup>105</sup> Hapsburg restoration is favored

by some Austrians as the best method of definitely terminating all discussion of *Anschluss*. German agitation for union of Austria with the Reich has meanwhile abated, and Nazi spokesmen place less emphasis on *Anschluss*, whose consummation might provoke a European conflict, than on the coordination (*Gleichschaltung*) of the two countries, which might be achieved if the Austrian Nazis should seize control of the state, and which would give the European powers no legitimate grounds for protest.<sup>106</sup>

## CONCLUSION

As long as the future of Austria, and with it of treaty revision, remains uncertain, it is impossible to predict the direction which European diplomatic alignments, now in a state of extraordinary flux, may take, or the combinations into which they may solidify. While the struggle for a new balance of power and the series of political incidents which has accompanied it bear an outward resemblance to the stormy years which preceded the outbreak of the World War, other factors peculiar to the post-war period go far to qualify this comparison. Before 1914 the European scene was dominated by two hostile groups of great powers—the Triple Alliance and the Triple Entente—whose interests dictated the course of foreign affairs and determined the fate of the various nationalities within their borders. Since 1919 the territorial break-up of the three empires of the Hohenzollerns, the Hapsburgs and the Romanovs has resulted in the establishment of nearly a dozen small states stretching from the Baltic to the Black Sea, which are not only jealous of their newly won national independence, but are resolved not to become mere pawns in the political game of the great powers. The peace settlement, by creating innumerable points of friction along all borders in Central and Eastern Europe, has left in its wake a situation far more complex and potentially more dangerous than that which existed on the eve of the World War. At the same time the determination of all small states—not only those which have benefited by the peace treaties—to make their influence felt in the League of Nations, constitutes an element which, if it does not guarantee peace, at least serves to counter-balance the policies of the great powers, and thus in a measure contributes to stability.

104. "New Phase in Austria," *The Times* (London), March 15, 1934, p. 15; *New York Times*, April 16, 1934.

105. *New York Times*, April 6, 1934.

106. *The Times* (London), March 15, 1934, cited.

European stability, however, must remain precarious as long as doctrines of extreme nationalism and territorial expansion dominate the foreign policies of a growing number of states. There is little doubt that the peoples of Europe, if consulted, would express horror of another war and a desire for maintenance of peace. But peoples living under the rule of governments which have seized control of the press and abolished representative assemblies have little opportunity to voice their opinions. True, dictatorships may on occasion prove more conciliatory than governments subject to parliamentary responsibility, as shown by the conclusion of a non-aggression pact between Hitlerite Germany and Poland. Dictatorships, however, are in a better position than democracies to steer public opinion toward war, which they may come to regard as the method best calculated to stifle internal opposition. Persistent emphasis on aggressive nationalism, moreover, may result in the gradual isolation of the countries which preach it; this isolation, in turn, can easily be represented as an affront to national honor and a menace to national existence. Nor should it be forgotten that in launching a preventive war dictatorships are able to act more decisively than democratic governments, which face the possibility that public opinion may revolt against war.

The two principal issues which overshadow Europe—failure to solve post-war political and economic problems, and the rapid drift toward extreme nationalism—confront the world with the most critical situation it has had to meet since 1919. Students of European affairs believe that to look for disarmament in countries which indoctrinate youth with nationalism and militarism, and which are prepared to fight not only for territories, but for ideas, would be to cherish the most dangerous of delusions.